

FILED IN THE  
U.S. DISTRICT COURT  
EASTERN DISTRICT OF WASHINGTON  
JUL 19 2022  
SEAN F. McAVOY, CLERK  
DEPUTY  
SPOKANE, WASHINGTON

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UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF WASHINGTON

UNITED STATES OF AMERICA,

Plaintiff,

v.

RONALD WALTER HANNES

Defendant.

2:22-CR-85-TOR

INDICTMENT

Vio: 18 U.S.C. § 1343  
Wire Fraud  
(Counts 1-8)

18 U.S.C. § 1341  
Mail Fraud  
(Count 9)

15 U.S.C. §§ 80b-6, 80b-17  
Investment Advisor Fraud  
(Count 10)

Forfeiture Allegations:  
18 U.S.C. § 981(a)(1)(C), 28  
U.S.C. § 2461(c)

The Grand Jury Charges:

At all times relevant and material to this Indictment:

1. Defendant, RONALD WALTER HANNES (HANNES), was a  
resident of Spokane, Washington.

INDICTMENT – 1

1           2.     HANNES was an “investment advisor” within the meaning of 15  
2 U.S.C. § 80b-2(a)(11). HANNES became a licensed investment advisor through  
3 the Financial Industry Regulatory Authority (FINRA) on or about January 31,  
4 1994. HANNES was permanently barred from performing investment and broker  
5 services on or about February 13, 2020.

6           3.     Hannes Financial Services, Inc., located in Spokane, Washington,  
7 within the Eastern District of Washington, was a State of Washington licensed  
8 corporation that was owned and operated by HANNES as the principal governor.  
9 State of Washington Department of Revenue records indicate that Hannes  
10 Financial Services, Inc. was registered as a corporation with the State of  
11 Washington, on June 14, 1995. Woodbury Financial Services, Inc. is a joint  
12 dealer/broker investment advisory firm located in Minnesota. HANNES, through  
13 Hannes Financial Services, Inc. was an authorized investment advisor through  
14 Woodbury Financial Services, Inc. to facilitate the investment of client funds.

15           4.     Hannes Financial Services, Inc. maintained the following checking  
16 accounts:  
17

- 18                   a. First Interstate Bank, d/b/a Inland Northwest Bank, Account  
19                   Number x0234; and  
20                   b. State Bank Northwest account number x8006.

21           5.     First Interstate Bank, d/b/a Inland Northwest Bank, is a Federal  
22 Deposit Insurance Corporation (“FDIC”) insured bank headquartered in Billings,  
23 Montana. When a customer engages in a deposit, either in-person or digitally, a  
24 wire communication is sent from the location of the deposit to First Interstate Bank  
25 servers located in West Des Moines, Iowa.  
26

#### 27                               SCHEME AND ARTIFICE

28           6.     Paragraphs 1 through 5 of this Indictment are re-alleged and fully  
incorporated herein by reference.

1           7.     Beginning on a date unknown to the Grand Jury, but by on or about  
2 August 16, 2018, and continuing through on or about November 27, 2019, in the  
3 Eastern District of Washington, and elsewhere, the Defendant, RONALD  
4 WALTER HANNES, devised and intended to devise a scheme to defraud J.C.,  
5 J.G., M.H., C.B., R.G., P.M. and P.M., C.D., S.D., and other investors, and to  
6 obtain money and property by means of materially false and fraudulent pretenses,  
7 representations and promises.

8           8.     The object of the scheme and artifice to defraud was for the  
9 Defendant to enrich himself by defrauding investors through soliciting and  
10 collecting payments for a fraudulent bond investment scheme. Specifically,  
11 HANNES fraudulently obtained funds from victim investors by falsely  
12 representing that the funds would be invested for the victims' benefit into high-  
13 yield bonds, when in fact he intended to convert the funds to his own personal use.

14  
15                               MANNER AND MEANS

16           9.     Paragraphs 1 through 8 of this Indictment are re-alleged and fully  
17 incorporated herein by reference.

18           10.    It was part of the scheme that:

- 19               a. HANNES identified at least twenty-one investors and invited them  
20               to invest money in bond investments. HANNES described the  
21               bonds as short-term, high-yield bonds.  
22               b. HANNES contacted and met with each investor in person, through  
23               electronic communications, or by telephone.  
24               c. Investors, at the direction of HANNES, wrote checks made  
25               payable to various entities, including but not limited to, Hannes  
26               Financial Services, Inc., American Express, and Chase Card  
27               Services.  
28

- 1 d. HANNES requested investors provide him checks through  
2 electronic checks, mail, or in-person delivery.
- 3 e. To further his fraudulent scheme and encourage investment,  
4 HANNES would solicit funds from victim investors by making  
5 false and fraudulent statements that the money provided would be  
6 invested in various bond investment portfolios.
- 7 f. To further his fraudulent scheme, HANNES would encourage  
8 victim investors to re-invest in the fraudulent bond schemes by  
9 showing the victim investors false investment summaries and  
10 reports. HANNES further encouraged some investors to roll-over  
11 their investments to continue the bond fraud. Occasionally when  
12 investors did not want to re-invest, HANNES would provide them  
13 cash out checks.
- 14 g. Upon obtaining funds from investors, HANNES did not invest the  
15 funds into any bonds but used the funds for his own personal  
16 benefit.  
17

18 COUNTS 1-8

19 11. Paragraphs 1 through 10 of this Indictment are re-alleged and fully  
20 incorporated herein by reference.

21 12. On or about each of the dates set forth below, in the Eastern District  
22 of Washington and elsewhere, the Defendant, RONALD WALTER HANNES, for  
23 the purpose of executing the scheme described above, and attempting to do so,  
24 caused to be transmitted by means of wire communication in interstate commerce  
25 the signals and sounds described below for each count, each transmission  
26 constituting a separate count:  
27  
28

Count	Deposit Date	Description
1	9/4/2018	Check #2290, dated 8/29/2018, in the amount of \$4,137.34, authorized on the account of J.C., paid to the order of Hannes Financial Services, Inc. and deposited into First Interstate Bank Account ending 0234 resulting in an interstate wire communication from Washington to Iowa.
2	9/17/2018	Check #1278, dated 9/13/2018, in the amount of \$9,837.00, authorized on the account of J.G., paid to the order of Hannes Financial Services, Inc. and deposited into First Interstate Bank Account ending 0234 resulting in an interstate wire communication from Washington to Iowa.
3	10/1/2018	Check #8279, dated 10/1/2018, in the amount of \$8,169.30, authorized on the account of C.B., paid to the order of Hannes Financial Services, Inc., and deposited into First Interstate Bank Account ending 0234 resulting in an interstate wire communication from Washington to Iowa.
4	1/17/2019	Check #8565, dated 1/16/2019, in the amount of \$9,947.40, authorized on the account of P.M. and P.M., paid to the order of Hannes Financial Services, Inc. and deposited into First Interstate Bank Account ending 0234 resulting in an interstate wire communication from Washington to Iowa.

5	3/13/2019	Check #5240, dated 3/8/2019, in the amount of \$8,802.68, authorized on the account of R.G., paid to the order of Hannes Financial Services, Inc. and deposited into First Interstate Bank Account ending 0234 resulting in an interstate wire communication from Washington to Iowa.
6	6/13/2019	Check # 9296, dated 6/11/2019, in the amount of \$17,837.50, authorized on the account of S.D., paid to the order of Hannes Financial Services, Inc. and deposited into First Interstate Bank Account ending 0234 resulting in an interstate wire communication from Washington to Iowa.
7	9/19/2019	Check #2064, dated 9/18/2019, in the amount of \$9,112.50, authorized on the account of M.H., paid to the order of Hannes Financial Services, Inc. and deposited into First Interstate Bank Account ending 0234 resulting in an interstate wire communication from Washington to Iowa.
8	10/21/2019	Check #1677, dated 10/18/2019, in the amount of \$5,179.47, authorized on the account of C.D., paid to the order of Hannes Financial Services, Inc. and deposited into First Interstate Bank Account ending 0234 resulting in an interstate wire communication from Washington to Iowa.

All in violation of 18 U.S.C. § 1343.



COUNT 9

13. Paragraphs 1 through 12 of this Indictment are re-alleged and fully incorporated herein by reference.

14. Between on or about August 2, 2017 and on or about October 18, 2019, the Defendant, RONALD WALTER HANNES, for the purpose of executing the aforesaid scheme and artifice to defraud, and in attempting to do so, did knowingly place or caused to be placed in an authorized depository for mail matter, to be sent and delivered by the United States Postal Service, according to the direction thereon, an envelope containing mail matter, that is, the following check: Check #6490, dated 6/5/2019, in the amount of \$4,081.74, authorized on the account of E.M., paid to Hannes Financial Services, Inc., mailed from the State of Arizona, which envelope was addressed to the Defendant, RONALD WALTER HANNES, d/b/a Hannes Financial Services Inc., located in Spokane, Washington, all in violation of 18 U.S.C. § 1341.

COUNT 10

15. Paragraphs 1 through 14 of this Indictment are re-alleged and fully incorporated herein by reference.

16. Beginning on a date unknown to the Grand Jury, but by on or about July 19, 2017, and continuing through on or about November 27, 2019, in the Eastern District of Washington, and elsewhere, the Defendant, RONALD WALTER HANNES, unlawfully, willfully, and knowingly, by the use of the mails and means and instrumentalities of interstate commerce, directly and indirectly, did: (a) employ devices, schemes and artifices to defraud clients and prospective clients; (b) engage in transactions, practices, and courses of business which operated as a fraud and deceit upon clients and prospective clients; and (c) engage in acts, practices, and courses of business that were fraudulent, deceptive and manipulative, all in violation of 15 U.S.C. §§ 80b-6 and 80b-17.

1 NOTICE OF CRIMINAL FORFEITURE ALLEGATIONS

2 The allegations contained in this Indictment are hereby realleged and  
3 incorporated by reference for the purpose of alleging forfeitures.

4 Pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), upon  
5 conviction of an offense(s) in violation of 18 U.S.C. § 1343, Wire Fraud, as set  
6 forth in Counts 1 – 8 of this Indictment; and/or in violation of 18 U.S.C. § 1341,  
7 Mail Fraud, as set forth in Count 9 of this Indictment, Defendant, RONALD  
8 WALTER HANNES, shall forfeit to the United States of America any property,  
9 real or personal, which constitutes or is derived from proceeds traceable to the  
10 offense(s). The property sought for forfeiture includes, but is not limited to, the  
11 following:  
12

13 MONEY JUDGMENTS

14 Wire Fraud – Counts 1 – 8

15 A sum of money of at least \$73,023.19 in United States currency,  
16 representing the amount of proceeds obtained from the wire fraud  
17 violations.

18 Mail Fraud – Count 9

19 A sum of money of at least \$4,081.74 in United States currency,  
20 representing the amount of proceeds obtained from the mail fraud  
21 violations.

22 If any of the property described above, as the result of any act or omission of  
23 the Defendant:

- 24 (a) cannot be located upon the exercise of due diligence;  
25 (b) has been transferred or sold to, or deposited with, a third party;  
26 (c) has been placed beyond the jurisdiction of the court;  
27 (d) has been substantially diminished in value; or  
28



1 (e) has been commingled with other property which cannot be divided  
2 without difficulty,  
3 the United States shall be entitled to forfeiture of substitute property pursuant to 21  
4 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. §  
5 2461(c). All pursuant to 18 U.S.C. § 982(a)(2)(A) and 28 U.S.C § 2461(c).

6 DATED this 15<sup>th</sup> day of July, 2022.  
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11 *Vanessa Waldref*  
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13 Vanessa R. Waldref  
14 United States Attorney

15 *Patrick J. Cashman*  
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